







PRODEXPO

MOSCOW, RUSSIA

The Show:

Prodexpo represents an excellent opportunity to promote your products to the largest and most active Russian food importers, distributors, retailers and processors. Prodexpo is the largest trade exhibition of its kind in Russia. In 2003, Prodexpo had about 65,000 visitors and 59 country pavilions with over 2,000 exhibitions.

Best Products: Fresh fruits, dried fruits and nuts, exotic juices, wines, wild rice, popcorn, confectionery products, canned foods, microwaveable foods, poultry meat, beef, pork, intermediate products for further processing (soy food products, dried potato products, essential oils, flavorings, beverage bases/preparations and seafood)

Location:

ExpoCenter (Krasnaya Presnya Exhibition Center)

Moscow, Russia

Dates:

Feb. 9-13, 2004

Cost:

American Café = \$500. Booth price to be determined at a later date

Support:

For further information on the Russian food market, please contact the FAS Agricultural Trade Office in Moscow. For questions about Prodexpo 2004, or to reserve space in the American Café at the show, please contact:

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Peru: Get in on the Ground Floor

By Violeta Gutierrez

n western South America bordering the Pacific Ocean between Chile and Ecuador, Peru boasts a diverse population of almost 28 million people. Ancient seat of prominent Andean civilizations, most notably the Incas, Peru blends indigenous and Spanish cultures into a vibrant society. The economic downturn of the late 1990s is beginning to turn around, with economic growth in 2002 estimated to have approached 3-3.5 percent.

A Growing Market for Food

Peru's retail food sector totals more than \$4 billion in annual sales and is expected to grow some 11 percent in the next three years. Foods are sold principally through small grocery stores and other traditional markets—in fact, 82 percent of retail sales occur in these outlets. However, sales through modern supermarkets are growing and are expected to reach 25 percent by 2004.

Currently, 5 percent of the consumerready foods sold in supermarkets are





imported, and though they are particularly sensitive to economic conditions, their presence is growing. There are real potential opportunities for U.S. exports of meats and cheeses, fresh fruits, wines and liquors, pre-cooked foods such as ready-to-eat and ready-to-heat meals and pet foods.

E. Wong and Ahold Peru are the two major supermarket chains in Peru. However, in November 2002, the retail landscape changed when Tottus hypermarket opened. It is expected to become a major retailer in the near future, garnering \$35 million in annual sales.

Currently, none of the supermarket chains has outlets outside of Lima, where one-third of Peru's population resides. But both E. Wong and Ahold Peru have plans to expand to other cities, such as Arequipa, Trujillo and Chiclayo, by late 2004.

Light Beer Is the Right Beer

he local brewery Backus, which currently has 88 percent of the market, dominates Peruvian beer sales.

Ambev, a Brazilian brewery group, will enter the market in 2004. The main imported brands include Corona, Heineken and Holstein, but they reach only 2 percent of the market. The high- and middle-income consumer welcomes most beer varieties, except dark beers.

RETAIL FOOD SALES THROUGH SUPERMARKETS ARE EXPECTED TO REACH 25% OF ALL FOOD SALES BY 2004.

Peruvian consumers have shown a growing preference for shopping in supermarkets that they perceive as clean, tidy and conveniently located. There are some 1.3 million families in Lima, 40 percent of whom go to supermarkets at least once a month.

Market Entry Strategy

Supermarkets and hypermarkets typically purchase food products through importers, wholesalers or distributors, importing only a few items directly, such as liquors and fresh fruits. Therefore,

developing a relationship with a local partner is essential. Personal visits are highly recommended before signing a contract. A good local partner should be able to provide current information on market and consumer trends, identify niche markets, provide information on merchandising and promotion and understand trade business practices and regulations. U.S. companies can strengthen their prospects by providing information on product quality and free samples.

Distributors or wholesalers are also the main suppliers of gas marts and other



convenience stores. Although consumers purchase few imported items from these outlets, there are niche markets for U.S. snacks, wines and liquors, particularly at gas marts that are frequented by high- and middle-income consumers.

Most of the foods sold through street vendors and grocery stores are locally produced. Such products are often perishables aimed at low-income buyers.

U.S. imports that face significant barriers in Peru include corn, rice and sugar. These items face both a fixed 25-percent tariff and a variable price band or levy. The successful negotiation of the Free Trade Area of the Americas could extensively improve U.S. trade prospects.

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Niche, Ingredient Markets Growing in Peru

By Violeta Gutierrez

hile U.S. food and agricultural sales to Peru have traditionally been concentrated in the bulk and intermediate categories, in-country experts believe that the next round of growth opportunities will occur in the consumer-oriented and ingredients sectors.

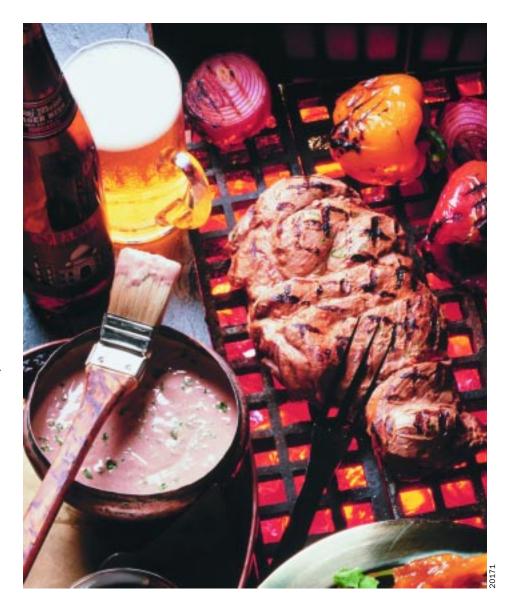
In 2002, at \$22 million, U.S. consumer-oriented sales to Peru made up about 8 percent of the processed foods the country imported. These sales comprised one-tenth of total U.S. food and agricultural sales to Peru.

Meanwhile, bulk commodity sales of \$126.7 million to Peru, mostly wheat, cotton and coarse grains, were almost double the \$65.6 million worth of intermediate product exports composed of the usual standbys, soybean meal and oil and animal fats.

Niche Markets Are Gaining

One-third of Peru's population—who earn 60 percent of the national income—live in the Lima area, the major market for consumer-ready foods. Urban population growth in Lima and coastal cities, more women in the workforce, a youthful population (almost half are under the age of 20) and exposure to foreign products via the media contribute to sales of U.S. products—meats and cheeses, fresh fruits, wines and liquors.

Pre-cooked foods and snacks have found a ready market in the capital city. Demand for low-fat and sugar-free products is still in its infancy, but there is real



potential for growth.

There are market constraints, however—customer preferences for fresh food, limited purchasing power and tariff and non-tariff barriers (such as poultry product bans and a variable levy on dairy products).

And competition is stiff. Chile (with a 30-percent share) and New Zealand (with 16 percent) vie with the United States for

Peru's consumer-oriented imports. Chile exports mostly fresh fruits and wines to Peru, while New Zealand exports chiefly dairy products. Colombia and Mexico compete with the United States for prepared meal sales.

...So Is Demand for Ingredients

Peru imported just 8 percent, or \$244 million worth, of food products in 2001

Peruvian Food Import Market Trends: Supermarkets to Pet Foods

Advantages	Challenges
The high quality of U.S. products a given	New local brands competitively priced
Demand developing for dietetic, light and healthy products	High tariff of 25 percent for U.S. processed foods
Supermarkets growing in number, particularly at urban area perimeters	Consumption of processed foods small compared to fresh
Pet food market expected to have grown 30 percent in 2002	Price bands imposed on corn, rice, sugar and dairy products; food safety and phytosanitary issues
Food processing industry concentrated in relatively few companies	Non-traditional product entry

Consumer-Oriented Products With Good Sales Potential

Subsector	Prospects
Meats	Beef, pork and pork products, prepared chicken and chicken parts, duck meat
Fruit and vegetable preparations	Pickles, prepared onions, tomatoes, olives, frozen potato fries, peas, beans
Confectionery	Glucose and glucose syrup, lactose, fructose, cocoa, other chocolate preparations and bars, other candy, beet or cane sugar, modified sugars
Baked goods	Cookies, crackers, toasted or other crispy breads
Snacks	Cereal-based products, extruded or toasted, spicy snack mixtures
Alcoholic beverages	Still and sparkling wines, beer, whisky, rum
Condiments	Soy sauce, ketchup, mustard, mayonnaise
Food ingredients	Malt extract, wheat flour, starch and mixed preparations for baking, yeast, baking powder
Prepared meals	Soups and non-dairy pre-cooked blends, ready-to-heat semolina

for its retail and food processing sectors. The share for food processing companies was just \$111 million worth (\$74 million was processed and the balance was sold directly). Despite some political and economic uncertainty, however, these value-added food imports are expected to have grown 4 percent in 2002. The sector processed \$165 million worth of local food inputs.

Thanks to foreign investment, Peru's food processing sector reached \$2.9 billion in sales in 2001 and is expected to have grown 5 percent in 2002. Processed food exports account for \$127 million.

In the mid-1990s, foreign investors began funding local food processing companies. Today these domestic businesses are either subsidiaries of international conglomerates or supported by foreign capital.



Know Your Import Partner

Since imports comprise such a small percentage of the overall food sales, a few import businesses handle most foods coming into the country. The number of distributors is also relatively limited; they tend to handle both imported and domestic foods for their customers. Some of the larger food processors import products directly.

Personal visits are highly recommended to get the lay of the land and establish a relationship with your import partner before finalizing a contract. Importers should provide information on consumer trends, niche markets, current market development and trade business practices.

U.S. exporters can strengthen sales by supporting importers directly through providing samples and materials on product benefits and quality.

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Tourism Drives Agricultural Import Demand in St. Lucia

By Isabel Davila

he beautiful island of St. Lucia, one of the windward islands of the Caribbean, supports 156,000 people on its 616 square kilometers.

An even larger number of tourists visit each year to enjoy the natural beauty of the island's high mountains,

St. Lucia imports most of its food needs, as it lacks the resources for much agricultural production. The tourism industry drives the need for the annual \$80 million worth of food and agricultural imports that make up the domestic shortfall.

rain forests and pristine ocean waters.

When banana farming fell off in the late 1990s, the government of St. Lucia began creating incentives to push its tourism and banking sectors. Today agriculture represents only 7.9 percent of the gross domestic product, while services

account for 72.5 percent and industry 19.6 percent.

The United States enjoys a 40-percent share of food products sold to the island. Primary competitors include other Caribbean islands (25 percent) and the United Kingdom (10 percent). Staples such as fresh fruits and vegetables, processed fruits and vegetables, poultry and red meats make up most of the sales.

Most imports are channeled through south Florida, especially Miami, where manufacturer representatives and consolidators ship weekly to St. Lucia.

Tourism Sector Recovering

The tourism season runs from November to April. The main tourist attractions are located in Gros Islet to the north and Soufriere to the west. U.S. tourists make up about one-third of visitors, followed by more than 20 percent each from the United Kingdom and the Caribbean.

Close to 380 cruise ships make port calls each year and account for 60 percent of tourist arrivals. Although cruise passen-

Price, Protection Still Considerations

ew exporters should keep in mind two market characteristics of St. Lucia regarding value and protective practices. Price plays an important role in purchases by HRI and retail sectors, especially during economic downturns.

Though residents have positive attitudes about imports, they also want to protect local agricultural production. St. Lucia protects its pork and poultry industries by limiting import amounts. Food companies must first purchase 20 percent of their pork and poultry needs locally before sourcing through imports.

gers tend to spend small amounts of time and money during visits, statistics reveal that they are likely to return for a longer vacation. Since these passengers are usually from the United States, they have a penchant for U.S. food products.

Like many of its neighbors in the eastern Caribbean, St. Lucia has experienced a fall-off in tourism since Sept. 11, 2001. Besides being more distant from the



United States than some other Caribbean destinations, St. Lucia is not served by U.S. airlines, which also limits U.S. visitors.

In the 2001/02 season, the number of cruise ship visitors fell 21 percent, down to 388,000, but stayover visitors actually went up 1.3 percent to 253,000. Overall, early statistics for the 2002/03 season reveal a marked improvement from the year before.

Retail Outlets Span Island

Food retail outlets buy two-thirds of St. Lucia's food imports, while the food service sector purchases the remainder.

The island has a well-established and competitive retail industry, with outlets providing wide choices. Outlet types include two major supermarket chains with a total 16 stores, 30 smaller supermarkets, 80 mom-'n'-pop stores and 20 gas marts.

The higher-end supermarkets are located in the main cities and cater to an upscale clientele with added services such as delis and bakeries. Other supermarkets tend to offer less variety, more generic brands and lower prices. Some of the major importers have small specialty retail stores.

There was a surge of gas marts in the mid-1990s, but the recent economic downturn has forced some to close. They face strong competition from smaller stores and supermarkets.

Mom-'n'-pop stores are ubiquitous and provide basic staples, canned foods and bottled beverages. They purchase imported items almost exclusively from wholesalers.

Entry Strategies for HRI and Retail

The island's importers usually serve as wholesalers and distributors and serve



both the HRI (hotel, restaurant and institutional) and retail sectors. However, the large supermarkets also import directly and occasionally serve as wholesalers to smaller stores and customers who buy in large quantities.

First-time exporters should visit the island to explore available opportunities. When planning for the trip, contact local importers or store representatives to scope out individual business practices. Some importers want to see a company representative; others prefer receiving a product catalog with pricing and samples.

For companies that exhibit at trade shows, St. Lucian importers and retailers occasionally visit the National Restaurant Association trade show in Chicago, Ill., and the America's Food and Beverage Show in Miami, Fla.

HRI Specifics

To get product information out to the end-user, exporters can also contact food and beverage managers of hotels and restaurants directly and provide samples and cost information for smaller shipments.

St. Lucia has close to 4,500 hotel rooms with a wide range of options that target U.S. and European tourists. Most hotels and resorts, with two or three restaurants and a convenience store on

U.S. Best Sellers

esides the best sellers listed below, market opportunities are available for wines and beer, edible dry beans, fruit and vegetable juices, breakfast cereals, dairy products and seafood.

Newcomers expected to become popular: low-fat and health food items.

U.S. Product Import Market Share (%)

Fresh fruits	98
Poultry meats	74
Processed fruits and	
vegetables	67
Fresh vegetables	67
Red meats	61

site, source their food products from local importers.

Island restaurants are plentiful and range from fast-food chain outlets to establishments offering the best in international and local cuisines.

School cafeterias are independently owned and make their own purchases, though they do receive government subsidies. The government of St. Lucia awards food contracts to importers for hospitals and prisons. Price is more a factor than quality in these purchases.

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For details, see FAS Reports C13003 and C13004. To find them on the Web, start at www.fas.usda.gov, select Attaché Reports and follow the prompts.



Grenada: a Small Country With a Robust Market for U.S. Foods

By Angel F. González Trápaga

renada, often referred to as "the Spice Island of the Caribbean," is one of the smallest independent countries in the Western Hemisphere. Despite its size, Grenada's food imports from the United States have been increasing since 1999. The country's food and beverage imports for 2001 totaled \$34 million.

The United States supplied \$13.7 million worth—40 percent of the total and a 2.5-percent gain from the previous calendar year. The United States garnered more than 50 percent of Grenada's 2001 imports of fresh fruits, poultry products, red meats (fresh, frozen and chilled), processed fruits and vegetables, and fruit and vegetable juices.

Further market opportunities exist for a wide variety of U.S. products, including beef, pork, poultry, dairy, produce, and alcoholic and nonalcoholic beverages.

The Market in Microcosm

Grenada is a parliamentary democracy based on the British model. English is the official language; many older persons also speak a colloquial French dialect.

Grenada is also a developing nation. Its economy, the fastest growing in the East Caribbean, is based principally on tourism and agricultural production. In 2001, Grenada's population was nearly 103,000, with a per capita GDP (gross domestic product) of \$4,750.

The nation consists of three islands: Grenada, Carriacou and Petit Martinique. About 95,000 people live on Grenada,



7,000 on Carriacou and 900 on Petit Martinique. St. George's, on the southwest coast of Grenada, is the capital and main commercial center, and home to 35,000 people.

Eighty-five percent of the nation's inhabitants are of African descent, and the rest are a combination of East Indian and European descent (mainly English, French, Portuguese and Scottish).

Grenada offers an inviting climate for tourism in more ways than one. The tourism industry, backed by the commitment of the government of Grenada, is the major source of foreign exchange earnings and the most promising sector for future economic growth.

With its year-round average temperature of 80 degrees Fahrenheit, 45 picturesque white sand beaches, turquoise waters and countless secluded coves, Grenada is tailor-made for tourism. In addition to its unspoiled beaches, it offers beautiful mountain scenery, yachting and cruise liner facilities, a lively and hospitable culture and fair tourism infrastructure.

The Grenadian government strives to attract additional foreign investment for hotel construction. New hotels, renovations to several existing ones, new marinas and a five-star, 1,000-room resort at Levera with its own 18-hole golf course will likely lure even more tourists.

Grenada's major tourist markets are the United States, the United Kingdom, other Caribbean countries (mainly Trinidad and Tobago, Barbados, St. Lucia, and St. Vincent and the Grenadines), Canada and Germany.

Importers anticipate that recovering economies and a new direct flight between London and St. George's will further stimulate tourism and the services that support it.

U.S. Foods Popular

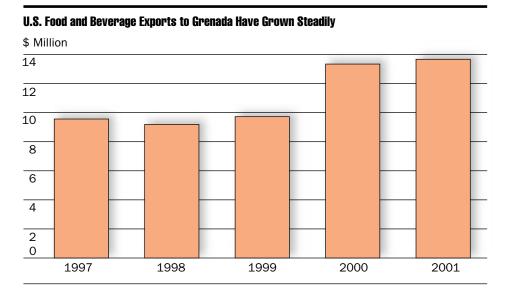
U.S. import dominance is due to its proximity and the quality, price and diversity of its high-value products. Grenadians are also receptive to U.S. foods and beverages because of the consistent flow of travelers between their country and the United States for education, business and pleasure, and their exposure to U.S. media. However, they are also price-conscious; lower priced products typically find better acceptance among locals.

An estimated 60-70 percent of total food imports is destined for the retail sector, and the remaining 30-40 percent for the food service sector.

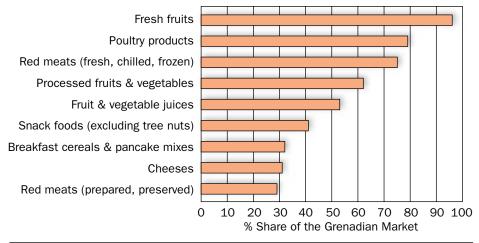
Reviewing Retailing

Grenada has eight large supermarkets, one club store, two gas marts and a handful of other convenience stores. It has about 3,000 mom-'n'-pop shops. It also has several traditional markets which, subsidized by the government, sell local produce.

Supermarkets and C.K.'s Super Value, the only club store in the nation, import most of their food products. They buy 20–30 percent of their food supplies from other importers or distributors. By contrast, gas marts, other convenience stores and mom-'n'-pop shops obtain food



In 2001, the United States Garnered Over 50% of the Grenadian Market in Several Food Categories



products from local wholesalers and distributors.

Grenadian demand for convenience and value-added goods is growing. Customers increasingly demand low-fat and other healthy foods. The recent appearance of organic foods is due largely to demand by foreign students at St. George's School of Medicine.

Most of Grenada's supermarkets are located in St. George's, mainly because of its large, concentrated population and the higher level of spending among those living in the main city.

Food Fair and Food Land, the two largest supermarkets, each have two retail stores. Food Fair and Food Land offer a wide variety of products and recently added deli and bakery sections. In addition, they wholesale and distribute food products to smaller retail outlets. For example, occasionally, when importers run out of supplies, mom-'n'-pop shops turn to supermarkets for staples.

Real Value, a high-end and modern supermarket in Grenada, sells mostly U.S. brands. It also carries kosher, ethnic and organic items.

Food Service, Domestic Demand and Tourist Attractions

Grenadians traditionally eat most meals at home. However, this is beginning to change as the economy expands and more women join the workforce. The combination of higher disposable income (a result of more dual-income families), and the time constraints people face in caring for a family and having a full-time job, has increased consumption of meals eaten away from home.

Grenada has about 60 lodging facilities and 90 restaurants. Most hotels have restaurants that cater to guests.

Non-hotel restaurants target both local customers and tourists. During the peak vacation periods (December-April and July-August), 70-85 percent of restaurant customers are foreigners. Off-season, most patrons are local customers.

In 2001, Grenada hosted 360 cruise ship visits and 5,610 yacht arrivals. Stayover and cruise ship visitors numbered 270,722. Visitor expenditures totaled \$62.7 million.

Product Placement

Most importers receive weekly shipments of food products from U.S. suppliers. Importers usually represent certain brands and distribute them to different retail outlets, which explains why supermarkets do not import all their product needs directly.

In order of importance, here are the best ways for a U.S. supplier to introduce a product to the retail sector:

- 1. Supply samples.
- 2. Provide product literature.
- 3. Meet importers at the Food Marketing Institute and the Americas Food and Beverage trade shows.
- 4. Meet importers in their offices.

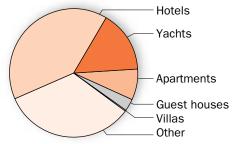
About 60-80 percent of C.K.'s food purchases are direct imports, mostly from the United States. It also purchases some products from local distributors and a few from local manufacturers.

Because of their small purchasing volumes, gas marts and other convenience stores usually do not import directly, but instead obtain their food products from local importers and distributors. Such importers and distributors constitute the best way for U.S. suppliers to reach this segment of the market. U.S. suppliers could also send product samples to the managers of these stores. If a manager is interested in a product, he or she will request it from a local importer or distributor.

Grenada's HRI (hotel, restaurant and institutional) sector imports directly and also buys from local importers, retailers and manufacturers. Because of the small volumes that HRI outlets typically



Hotels Dominate Grenada's Tourism Accommodations



2001 Highlights:

- · Grenada has 1.734 hotel rooms
- Stayover and cruise ship visitor arrivals were 270,722
- · Cruise ship calls totaled 360
- Yacht arrivals were 5,610
- · Visitors' expenditures totaled \$62.7 million

require, the best way for them to obtain food products is through local importers, which usually wholesale and distribute.

Some hotels and restaurants sporadically import U.S. food products directly. In these cases, the U.S. supplier must be able to ship small volumes or consolidate the shipment.

It is not uncommon for local importers to run out of certain food products. In these instances, HRI outlets buy products from supermarkets.

There are several ways to successfully enter the HRI market. First, conduct market research. A visit to the islands is highly recommended to get a feel for the market. Next, contact local importers that distribute to the HRI sector.

U.S. suppliers that can guarantee small-volume shipments may also try contacting hotel food and beverage managers and the restaurant owners or chefs.

Import Challenges and Procedures

The Grenadian government protects local agricultural production with import licenses. Protected food products include

whole chicken, eggs, fresh produce and high-proof spirits.

The government also controls prices on all products except soft drinks, alcohol, cereals, produce, some dairy products, fresh and frozen seafood and condiments. Wholesale price control margins range from 5 to 15 percent, and retail margins from 10 to 29 percent.

The Grenada Marketing and National Importing Board, a state trading enterprise, regulates importation of certain commodities. Brown sugar, white sugar, whole milk powder and rice packed in sizes of 10 kg. or larger (1 kilogram=2.2046 pounds) must be sold directly to the board, which distributes the products to importers and retailers.

Grenadian customs officials require the following documentation for imports: commercial invoice, bill of lading, packing list, certificate of origin and certificate of value. Customs clearance usually takes 48 hours, but for perishable products it could take less time.

Tariffs for food products range from 5 to 80 percent. Even when duty-free, imports have a 5-percent tax surcharge.

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For details, see FAS Report Nos. C13007 and C13008. To find them on the Web, start at www.fas.usda.gov, select Attaché Reports and follow the prompts.





6TH AMERICAS FOOD AND BEVERAGE TRADE SHOW AND CONFERENCE

MIAMI, FLORIDA

The Show:

The **only** Food and Beverage Exhibition for all of the Americas-the 6th Americas Food and Beverage Trade Show and Conference—promises to be even bigger and better than in 2002, with more than 600 exhibitors from across the hemisphere.

Market:

Over \$1.4 trillion is spent annually on food and beverage purchases in the Americas, and export sales are expected to double by 2007. Miami serves as a sales and distribution center for food and beverage products transiting these markets-32 percent of U.S. food product exports to the Caribbean and Latin America flow out of Florida ports.

Dates:

Dec. 3-4, 2003

Best **Products:** Bakery items, beer, wines and liquor, breakfast cereals, chocolate and candies, coffee and tea, confectionery products, dairy products, convenience foods, diet foods, ethnic foods, dried fruits and vegetables, frozen foods, gourmet foods, grocery products, ingredients, juices and other beverages, kosher foods, pet foods, poultry, sauces, spices and condiments, seafood and snack foods

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Portuguese Looking to Organics

By Maria do Monte Gomes

rganic olive trees, pastures, cereals and vineyards are popping up in Portugal, particularly in the eastern part of the country, which has less development and pollution than regions along the coast. Since 1998, organic farming in Portugal has tripled in total area. In 1993, Portugal had 73 registered organic producers. By 2002, the number had jumped to 1,059.

Niche Market

Still, Portuguese consumption of organic foods accounts for less than 1 percent of the total food market. Because marketing initiatives are almost nonexistent, consumers lack awareness of organic foods. High prices also constrain consumption, as does the perishable nature of many fresh organic products. Despite all this, there are growing niche markets for organic food products in Portugal.

Organic foods are found in Portuguese supermarkets and hypermarkets, where products are clearly identified as "organic." More and more fresh produce markets now stock organic items, and some producers even offer direct home delivery. However, market structure and distribution channels are not well developed for organic products.

Organic Imports

Portuguese organic food imports are difficult to quantify precisely, since the country's trade data does not separate organic from non-organic products. While still small, the prospects for an



expanded market for organic products in Portugal are real. Supply is less than demand, reflecting the fact that organic farming is still at the initial stage. The Portuguese are growing more conscious of health and environment, which explains their rising interest in organics, especially natural fruit and fibers. Increasing purchasing power also encourages this development.

Portugal imports some organic food products, primarily from other EU (European Union) countries. These imports are mainly fruits and vegetables, but also include meats, dairy products and eggs.

U.S. organic food products with the best prospects include pasta, breakfast cereals and other grains, sauces, dairy products, meats and eggs.

In order to bring in U.S. organic food products, Portuguese importers must work through the Portuguese Ministry of Agriculture to obtain import authorization. The Ministry grants authorizations on a case-by-case basis. The importer must demonstrate that the product was produced according to EU organic standards. For U.S. organic products, Portuguese authorities recognize USDA's Agricultural Marketing Service organic certification designations.

The author is an agricultural assistant at the FAS office of the U.S. Embassy in Lisbon, Portugal. For more information on the Portuguese organics market, contact that office at: Tel: (011-351-21) 727-3300; Fax: (011-351-21) 726-9721; E-mail: aglisbon@usda.gov

For details, see FAS Report PO3008. To find it on the Web, start at www.fas.usda.gov, select Attaché Reports and follow the prompts.









The Show:

Alimentaria, a biennial event, is the largest food and beverage exposition on the Iberian Peninsula. Since its inception in 1976, the show has been growing steadily in economic significance. In 2002, Alimentaria had more than 3,000 exhibitors occupying 82,000 net square meters of floor space, and attracted 141,000 professional visitors from 80 countries.

Alimentaria offers the possibility of marketing products in one of the fastest growing markets in Europe for high-value foods, which has been fueled by Spain's tourism industry. Visitors come from a wide spectrum of food and beverage businesses and include retailers, brokers, importers and wholesalers.

Location:

Barcelona, Spain

Dates:

March 8-12, 2004

Deadline:

Dec. 31, 2003

The Market:

Exhibiting your products at this five-day event is a great opportunity to establish or expand <mark>sales not only on the Ib</mark>erian <mark>Pen</mark>ins<mark>ula, but throug</mark>hout southern Europe, North Africa and the Near East. Best product prospects include edible dried beans, processed fruits and vegetables, table sauces, fruit juices and other nonalcoholic beverages, seafood, nuts, frozen vegetables, prunes and raisins, snack foods, all kinds of low-calorie products, ready-to-eat f<mark>ood products for seniors, microwaveabl</mark>e products and organic foods. Exporters of U.S. agricultural products have always enjoyed participating in this show, and we expect record participation under the banner of the USA Pavilion in 2004. We hope you will join us in Barcelong at this USDA-endorsed event.

Contact:

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In Nigeria, Demand for Seafood Is High



By Uche Nzeka

igeria, slightly more than twice the size of California, is a western African country in transition. Following nearly 16 years of military rule, Nigeria adopted a new constitution in 1999 and made a peaceful transition to civilian government.

Now the country is rebuilding a petroleum-based economy whose revenues historically have been squandered through corruption and mismanagement. Democracy is in its early stages, and long-standing ethnic and religious tensions are starting to be diffused.

The Market for Seafood

Per capita annual income is only \$350, and inexpensive foods are in high demand. Compared to poultry and beef, some seafood varieties are lower priced. Seafood is an important low-cost protein source and used in many local dishes. As a result, Nigeria has become a major destination for imported seafood.

With a population of more than 120 million people and a tariff reduction on seafood products from 25 to 5 percent, the Nigerian seafood market is hot. The tariff of 5 percent is not expected to change in the near future. Currently, the EU (European Union) supplies more than 70 percent of Nigeria's seafood demands, while the U.S. share is only 1 percent.

But because Nigeria's domestic fishing industry only supplies 10 percent of the market, outlets are continually looking for low-cost, high-quality products. The opportunity for U.S. seafood suppliers is there.

For Nigerians, fish is an affordable source of protein, and the most popular imported species include croaker, herring, mackerel and catfish. Mackerel fills 65 percent of the domestic market and is preferred by most Nigerians. A current ban on imported poultry has made fish even more popular.

About 96 percent of fish sales occur at open stall markets, with the remainder going to hotels and restaurants to supply the growing tourism industry. Prices in these open stalls are usually 20–30 percent lower because of minimal overhead costs than in convenience stores and supermarkets. In these markets, customers and vendors often negotiate prices on the spot.

In order to meet growing demand, the Nigerian aquaculture industry is growing. Tilapia and catfish are the primary species produced at domestic fish farms, but it will be quite some time before production can match consumer demand.

Seafood is available frozen in city markets, and also smoked for rural village markets. Frozen seafood imports are widely distributed in Nigeria through a network of privately owned cold storage warehouses located in major cities.

Getting In

In order to break into the thriving Nigerian seafood market, U.S. suppliers must adopt strategies and tactics that are effective for selling to the Nigerian population.

Selecting a good local import agent is crucial. This agent can facilitate health and customs clearance and also introduce the product and develop consumer demand. It is also important for U.S. suppliers to offer flexible shipping volumes and competitive shipping rates. Remember, Nigerians usually buy small quantities for that day's consumption.

The annual International Boston Seafood Show always attracts a good contingent of Nigerian seafood buyers. The next show will be held March 14-16, 2004.

Regulatory Requirements

The fisheries unit of Nigeria's Department of Agriculture regulates all seafood imports. All fish imports are inspected by an appointed Nigerian government agent in the country of origin and at the Nigerian port of entry.

Documentation requirements include certificates of origin and hygiene. In addition, the importer must show proof of ownership of efficient cold storage and trucking facilities. Licenses are issued per import purchase and shipment. Labels must contain the consignee's mark and port mark and all containers must be numbered to correspond with the numbers on the invoice.

Imported frozen seafood products are usually shipped to Apapa-Lagos, Port Harcourt and Warri, where they are inspected and passed through customs. After clearance, shipments are transported in refrigerated trucks to cold storage warehouses in Lagos and other urban areas.

The author is an agricultural marketing assistant in the Office of Agricultural Affairs at the U.S. Embassy in Lagos, Nigeria. For more information on the Nigerian seafood market, contact that office at: Tel: (011-234-1) 261-3926; Fax: (011-234-1) 261-3926; E-mail: aglagos@micro.com.ng

For details, see FAS Report NI3016. To find it on the Web, start at www.fas.usda.gov, select Attaché Reports and follow the prompts.

JUST A CLICK AWAY!



Agricultural Trade Information http://www.fas.usda.gov



SHOW OPPORTUNITY



NEW DELHI, INDIA

The Show: AAHAR 2004 is the premier food and beverage trade show in India. In 2003, more than

180 Indian and foreign exhibitors and about 50,000 visitors participated in **AAHAR**.

Location: Pragati Maidan Fair Grounds,

New Delhi, India

Dates: March 11-15, 2004

Deadline: January 2004

The Booth: A standard booth measures 12 square meters (3 meters x 4 meters) and includes a display

board with your firm's name, a display counter with bar stools, floor covering, a round table with chairs, display shelves, two spotlights, one power point, a lockable cabinet and trash cans. Booth charge also includes regular cleaning, maintenance and around-the-clock

security. The cost will be determined at a later date.

Support: The FAS Office of Agricultural Affairs, U.S. Embassy, New Delhi, will sponsor a U.S.

Pavilion at **AAHAR 2004** and provide U.S. exhibitors with onsite support services during the show. The USDA Trade Show Office in Washington, DC, has endorsed **AAHAR 2004**. More information on booth costs and other items will follow at a later date. If you have any

questions, please contact us.

Contacts: Tobitha Jones Santosh Kr. Singh

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Trade Moies ...

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USDA Awards \$10 Million to Support Trade Building Projects Seventy-five agricultural trade building projects will receive a total of \$10 million in funding from the Emerging Markets Program. Recipients include universities, federal agencies, trade groups and nonprofit organizations. Projects will be conducted in Africa, Asia, Eastern Europe, South America and the Caribbean. The Emerging Markets Program, administered by USDA's Foreign Agricultural Service, fosters growth in U.S. agricultural exports to low- and middle-income countries that offer viable markets for U.S. agricultural products. The program supports research on new markets, market promotion of U.S. agricultural goods, trade missions and trade dispute resolution. It also sponsors training so potential buyers in emerging economies can profitably use U.S. agricultural goods. A list of this year's awardees and additional information on the Emerging Markets Program is available on the FAS website at http://www.fas.usda.gov/mos/em-markets/em-markets.html, or by calling (202) 720-4327.

U.S. Wins Case on Access for Apples in Japan

A WTO (World Trade Organization) panel has agreed with the United States that Japan's import restrictions on U.S. apples are unjustified and are in breach of Japan's WTO obligations. Japan imposes severe restrictions on imported U.S. apples, allegedly to protect Japanese plants from fire blight, a plant disease. In prevailing at the WTO, the United States showed that there is no scientific evidence that harvested apples can transmit fire blight. The WTO decision should lead to improved access for U.S. apple growers and allow them to realize the full potential of this important market. Japan's severe fire blight restrictions have essentially blocked U.S. apples from reaching Japanese consumers. For example, U.S. apple exports were \$102,000 in 2002, down from \$6 million in 1994, the year before the restrictions, a decrease of 98.3 percent.

